UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

COSMETIC WARRIORS LIMITED, Plaintiff, v. LUSH NEW YORK, INC., Defendant.	Civil Action No. 17-cv-2523 JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Cosmetic Warriors Limited for its complaint against Defendant Lush New York, Inc., alleges as follows based on present knowledge, information, and belief:

PARTIES

1. Plaintiff Cosmetic Warriors Limited ("CWL") is a corporation organized and existing under the laws of the United Kingdom, with its principal place of business at 29 High Street, Poole, Dorset BH15 1AB in the United Kingdom. Plaintiff has extensive operations in the United States, including fifteen retail stores within the State of New York, ten shops in New Jersey, four shops in Connecticut, and a websites at www.lush.com and www.lushusa.com .

2. Upon information and belief, Defendant Lush New York, Inc. is a domestic corporation formed in the State of New York, on or about October 29, 2003 under New York Department of State DOS ID# 2971002 and operating a business known as Lush New York Salon, within this district at 8419 3rd Ave, Brooklyn, NY 11209 (herein "Defendant" or "LNY").

NATURE OF ACTION AND JURISDICTION

3. This is an action for trademark infringement and unfair competition brought pursuant to Sections 32(1) and 43(a) of the Lanham Act, 15 U.S.C. §§ 1114(1) and 1125(a), New York's General Business Law New York general business law §§ 349 and 360. (2004) and the common law of the State of New York relating to unfair trade practices, misappropriation and an action for breach of contract.

4. This Court has jurisdiction over this action under Section 39 of the Lanham Act, 15 U.S.C. § 1121, and Title 28 of the United States Code, §§ 1331 and 1338, and supplemental jurisdiction over CWL's claims under state law and contract law under 28 U.S.C. § 1367(a). This Court also has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the matter in controversy in this action exceeds the sum or value of $75,000, exclusive of interest and costs, and is between a citizen of the United Kingdom and a citizen of the State of New York.

5. This Court has personal jurisdiction over Defendant because *inter alia* Defendant is a New York Corporation, Defendant does business in this judicial district and the conduct of Defendant complained of in this Complaint occurred in this judicial district.

6. Venue is proper in this district under 28 U.S.C. § 1391.

FACTS

A. CWL And Its Marks

7. CWL is one of the world's premier suppliers of bath, hair care, and beauty products made from natural, wholesome ingredients and related products. CWL's products are sold from over one hundred retail stores operated in the United States, including six stores in Manhattan, and three shops on Long Island, among many others. CWL operates a spa at its Herald Square location at 44 W. 34th Street, NY, NY 10001, and a spa at one of its Philadelphia,

PA locations where it offers a wide variety of spa services and treatments to the general public. CWL's Herald Square spa is less than ten miles from defendant's place of business. CWL offers products specifically for hair care, such as shampoos, conditioners and henna hair color treatment products. CWL has a reputation of providing competitively priced, high-quality bath, hair care, and beauty products and services. Over the last twenty years, CWL's business in the United States has grown substantially and CWL is one of the nation's best known retail providers of bath, hair care, and beauty products and related services.

8. CWL has been commercially using the LUSH mark in the United States since at least as early as 1996. CWL has used these trademarks in connection with cosmetic preparations and affiliated products in the nature of skin creams and moisturizers, perfumes, bath preparations, hair products (including shampoos, conditioners, hair treatments, hair colorants, and styling gels), and retail store services, including consultations and providing recommendations to customers. CWL now operates two spas in the United States with more to be opened in the future. CWL has given notice of its registered rights in its marks by using the ® symbol in connection with its registered trademarks.

9. CWL owns, among others, the following United States Trademark Registrations and Application:

MARK	REGISTRATION NO.	REGISTRATION DATE
LUSH	2,282,428	October 5, 1999
LUSH	2,853,483	June 15, 2004
LUSH	3,001,303	September 27, 2005
LUSH	3,008,685	October 25, 2005
LUSH	4,118,438	March 27, 2012

LUSH FRESH HANDMADE COSMETICS and design	3,102,767	June 13, 2006
LUSH	3,987,808	July 5, 2011
LUSH	86/475,096	N/A

Copies of these registrations and application are attached as Exhibits A-H.

10. United States Trademark Registration No. 3,987,808 was filed on November 4, 2005, and granted July 5, 2011, for LUSH in connection with hair salon services, nail care and manicure services, and other related services as a natural and foreseeable expansion of CWL's trademark rights in cosmetics and retail store services going back to at least 1995.

11. CWL has expended a substantial amount of money and effort in advertising and promoting its LUSH mark. CWL is among the most innovative and creative companies selling cosmetics, soaps, hair products, bath products, perfumes, and related products in the world today, and its products are frequently imitated. CWL and its LUSH mark are well known and consumers have come to know, rely upon, and recognize the LUSH mark as identifying CWL's products and retail stores. CWL's goods and services have been mentioned over 24,000 times in popular press and broadcast media distributed to the public in North America. As a result of CWL's substantial promotional, advertising, publicity, and public relations activities, the LUSH mark has acquired substantial goodwill and is an extremely valuable commercial asset.

12. CWL's LUSH mark is famous, distinctive and is inherently distinctive, serving to identify and indicate the source of CWL's products to the consuming public, and to distinguish CWL's products and services from those of others.

13. CWL also has common-law rights in the LUSH mark in New York and throughout the United States. The LUSH mark is famous in the State of New York and the New York metropolitan area.

14. CWL now has, and has always had, an express intent to use and expand its line of LUSH products and services to salon and spa services, as well as to expand the mark generally. CWL now operates a LUSH salon in London, United Kingdom where hair cutting services are provided, and CWL intends to expand those services to additional locations under the LUSH mark.

B. The Defendant's Unlawful Conduct

15. Defendant operates a hair and beauty salon using the LUSH mark. The mark is and has been displayed on signage at the defendant's location, used on advertising such as Defendant's Facebook page, a recent copy of which is attached as Exhibit I, in association with discount coupons offered at Lush New York Salon page of Groupon.com, a recent copy of which is attached as Exhibit J, at a Yelp page dedicated to reviews of Defendant's business, a recent copy of which is attached as Exhibit K, and in other ways customary in the industry, such as on signage, awnings and banners displayed at the retail location, a copy of a photograph taken in January of 2017 is attached hereto as Exhibit L. On information and belief, Defendant also sells products, such as shampoos, hair conditioners, and other such products from its retail location, and uses take away bags for purchases, business cards, other business materials, and the like using the LUSH name and trademark.

16. CWL has been corresponding with Defendant since as early as October 3, 2014 when it wrote to Stephanie Sfara, and Eric Frasco, the owners/managers of the Defendant regarding CWL's LUSH mark, and LNY's infringement of the LUSH mark. This

correspondence included formal written notice to "cease and desist" use of the LUSH mark. A copy of this correspondence is attached as Exhibit M.

17. As a result of this correspondence, Defendant has had actual notice of CWL's superior rights in the LUSH mark since at least 2014.

18. The matter set forth in CWL's October 3, 2014 letter (Exhibit M) was resolved by the parties entering a Settlement Agreement signed by the representatives of the parties on February 11, 2015 and February 24, 2015 respectively. A copy of this agreement is attached hereto as Exhibit N. Among other things, this agreement required LNY to phase out and cease all use of the name LUSH by February 1, 2016, change all business records including the LUSH name such as Secretary of State and tax identification records to reflect a new business name by February 1, 2016, and refrain from using the mark LUSH as a business name or trademark in the future by no later than February 1, 2016.

19. Defendant is aware of the vast and valuable goodwill and reputation represented and symbolized by CWL's LUSH mark. Defendant also is aware that CWL's consumers and potential consumers rely upon CWL's LUSH mark as distinguishing CWL's products and services from the products and services of others.

20. Defendant's use of the LUSH mark is without the permission, consent, or authority of CWL.

21. Notwithstanding LNY's knowledge of CWL's rights, and notwithstanding LNY's express written commitment and agreement to cease use of the LUSH name, LNY failed to do so and LNY is continuing to use the LUSH name and trademark to this day.

22. On or about March 1, 2017, counsel for CWL contacted counsel for LNY to ask LNY to explain why LNY has not changed its name with the New York Department of State,

and was still using banners and signage using the LUSH name, and appeared to be in breach of the agreement reached to settle the matter. On or about March 2, 2017, Counsel for LNY, Brian A. Lincer replied "Our client has been in the process of converting the name and, according to our client, any references to Lush will be completely removed within the next two weeks." Notwithstanding this representation, the LUSH name is currently in use as described above and CWL feels compelled to commence this action to protect its valuable trademark and to enforce the agreement reached earlier with LNY to resolve the matter.

C. Effect Of Defendant's Conduct On CWL And The Consuming Public

23. Defendant's Lush New York Salon mark is confusingly similar to CWL's LUSH mark. Defendant's mark is used on the same or similar types of goods and services as those on which CWL's LUSH mark is used. Defendant sells hair care products that compete directly with CWL's product line, and Defendant operates a salon that competes with or is very closely related to the services offered at CWL's spas, one of which operates within ten miles of the defendant's place of business. CWL operates in the same geographic area now served by Defendant, CWL is selling its LUSH products at over 900 locations throughout much of the world, and via the Internet to customers throughout New York, New Jersey and elsewhere. Defendant provides salon and spa services that are closely related to and overlapping with the salon and spa services CWL now provides at its locations in Poole, and London, United Kingdom as well as its two spas operating in the United States. Defendant's salon is operating in a field closely related to the field of business done at CWL's 900 stores and Defendant sells goods that compete with CWL's goods.

24. Defendant's products and services advertised, promoted, offered for sale, or sold under the Lush New York mark are offered and/or promoted in the same channels of trade as

CWL's products and services under CWL's LUSH mark. Defendant and CWL advertise, promote, and offer their products and services to consumers in New York and across the United States, including through social media outlets located on the Internet. CWL's and Defendant's advertising and promotional materials are directed to the same or similar consumers.

25. Defendant's continued use of the Lush mark and derivatives in its advertising and promotional materials, on its signage, and on its products is likely to diminish the goodwill and distinctiveness associated with CWL's LUSH mark.

26. Defendant's products and services under the LUSH mark and derivatives of that mark are being provided and/or promoted, and are likely to continue being provided and/or promoted, throughout the same geographic markets as CWL's products and services. Defendant derives and will continue to derive substantial revenue from its products and services provided under the Lush New York mark and derivatives of that mark.

27. Defendant's unauthorized use of the Lush New York mark and derivatives of that mark is likely to cause confusion or mistake or to deceive consumers into believing that Defendant's unauthorized products and services advertised, promoted, and offered under the Lush New York mark and derivatives of that mark are sponsored, licensed or authorized by, or affiliated, connected or otherwise associated with CWL or that CWL's products and services offered under the CWL's LUSH mark are sponsored, licensed or authorized by, or affiliated, connected, or otherwise associated with Defendant.

28. Defendant's continued use of the Lush New York mark and derivatives of that mark is with full knowledge of the prior ownership by CWL of CWL's LUSH mark and CWL's rights to use and control the use of such mark.

29. Defendant has acted and continues to act without regard to CWL's property rights and goodwill and in violation of the terms of the agreement reached between the parties to resolve this matter over two years ago.

30. As a result of Defendant's unauthorized use of the LUSH mark and derivatives of that mark, Defendant is being unjustly enriched at CWL's expense, and CWL is being damaged.

31. Defendant's unauthorized use of the LUSH mark and derivatives of that mark in association with its products and services has significantly injured CWL's interests. Specifically, Defendant (a) has traded upon and threatens to further trade upon the significant and valuable goodwill in CWL's LUSH mark; (b) is likely to cause public confusion as to the source, sponsorship, or affiliation of Defendant's products or services; (c) has damaged and threatens to further damage CWL's significant and valuable goodwill in CWL's LUSH mark; (d) has injured and threatens to further injure CWL's right to use CWL's LUSH mark as the exclusive indicia of origin of CWL's bath, hair, and beauty products and services in New Jersey and throughout the United States; (e) has lessened the capacity of CWL's LUSH mark to indicate that its products are sponsored by CWL and, (f) has lessened the distinctive quality of the LUSH mark.

32. Unless these infringing and diluting acts by Defendant are restrained by this Court, they will cause irreparable injury to CWL and to the public, for which there is no adequate remedy at law.

D. Willful Nature Of Defendant's Infringement And Unfair Competition

33. Defendant's acts of infringement, dilution, unfair competition and breach of contract complained of herein have been deliberate, willful, intentional, and in bad faith, with full knowledge and conscious disregard of CWL's rights. In view of the egregious nature of

Defendant's actions, this is an exceptional case within the meaning of Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a).

FIRST CLAIM FOR RELIEF
(Federal Trademark Infringement)

34. CWL repeats the allegations of paragraphs 1-32 of this Complaint as if fully set forth herein.

35. The acts of Defendant complained of herein are likely to cause confusion, mistake, or deception as to origin, sponsorship, or approval and therefore constitute federal trademark infringement in violation of 15 U.S.C. § 1114(1). By reason of Defendant's bad faith and willful infringement, CWL is entitled to recover actual damages, treble damages, an accounting for Defendant's profits, attorneys' fees, and the costs of this litigation pursuant to 15 U.S.C. § 1117 and injunctive relief pursuant to 15 U.S.C. § 1116.

SECOND CLAIM FOR RELIEF
(Federal Unfair Competition)

36. CWL repeats the allegations of paragraphs 1-35 of this Complaint as if fully set forth herein.

37. The acts of Defendant complained of herein constitute unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). CWL is entitled to recover actual and treble damages, attorneys' fees, and the costs of this litigation pursuant to 15 U.S.C. § 1117 and injunctive relief pursuant to 15 U.S.C. § 1116.

THIRD CLAIM FOR RELIEF

TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION UNDER NEW YORK'S GENERAL BUSINESS LAW §360 (2004)

38. CWL repeats the allegations of paragraphs 1-37 of this Complaint as if fully set forth herein. This cause of action arises under the New York General Business Law and the common law of New York State.

39. Defendant's activities complained of constitute trademark infringement and unfair competition in violation of CWL's rights under the common law of the State of New York and N.Y. Gen. Bus. Law §360 (2004).

FOURTH CLAIM FOR RELIEF
DECEPTIVE ACTS AND PRACTICES
N.Y. GEN. BUSINESS LAW §349 (2004)

40. CWL repeats and realleges paragraphs 1-39 as if fully set forth herein.

41. Defendant's activities complained of constitute deceptive acts and practices in the conduct of Defendant's business, trade or commerce all in violation of N.Y. Gen. Bus. Law §349 (2004).

FIFTH CLAIM FOR RELIEF
COMMON LAW MISAPPROPRIATION

42. CWL repeats and realleges paragraphs 1-41 as if fully set forth herein.

43. Defendant's activities complained of constitute misappropriation by Defendant to improperly use and benefit from the valuable goodwill, reputation and business property of CWL in violation of CWL's rights under the common law of the State of New York.

44. Defendant has violated and infringed and diluted CWL's trademark rights in the LUSH mark, and has used, without the consent of the owner a mark that is a reproduction, counterfeit, copy, or colorable imitation of a mark owned by CWL in connection with the sale of goods and services in New York in a manner likely to cause confusion, deception, or mistake as to the source of the goods and services and has used the same on labels, signs, and in advertising in violation of the law of New York. CWL is entitled to the remedies provided therein.

SIXTH CLAIM FOR RELIEF
BREACH OF CONTRACT

43. CWL repeats the allegations of paragraphs 1-44 of this Complaint as if fully set forth herein.

44. Defendant, LNY has breached the terms of the agreement entered between the parties in February 2014 by materially failing to comply with the terms thereof without excuse or justification sufficient to relieve LNY of its duty of compliance.

45. CWL is entitled to recover actual damages for Defendant's breach and to have this Court order specific performance of the contract, and failing that grant injunctive relief causing the terms of the contract to be placed into effect.

PRAYER FOR RELIEF

WHEREFORE, CWL prays that:

A. Defendant, its officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with any of them, be permanently enjoined from using the LUSH mark, and any other mark that is confusingly similar to the LUSH mark or dilutive thereof;

B. Defendant, its managers, members, officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with any of them, be required to modify all packaging, signage, business cards, social media and promotional material to eliminate the Lush or Lush New York mark, and any other mark that is confusingly similar to the LUSH mark;

C. Defendant, its managers, members, officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with any of them, be required to deliver to the Court for destruction, or show proof of destruction of, any and all labels, signs, banners, prints, packages, wrappers, receptacles, business cards and advertisements, and any other materials in Defendant's possession or control that use the Lush, or Lush New York mark, and any other mark that is confusingly similar to the LUSH mark;

D. Defendant, its managers, members, officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with any of them, be required to take all reasonably available steps to remove the Lush or Lush New York mark, and any other mark that is confusingly similar to the LUSH mark, as a designator of Defendant's salon from any listing in any business directory, yellow pages, internet directory, Facebook page, Instagram account, Yelp page, Groupon account, social media of any and all kinds, and any other listing or promotion service as well as with the State of New York , Division of Licensing Services relating to its license to practice cosmetology or hair care services with respect to any license to operate on file therewith;

E. Defendant be ordered to file with this Court and to serve upon CWL within 30 days after the entry and service on Defendant of an injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the injunction;

F. CWL recover all damages it sustained as a result of Defendant's infringement and unfair competition, or breach of contract, and that said damages be trebled as allowed by law;

G. An accounting be directed to determine Defendant's profits resulting from Defendant's activities complained of herein, and that such profits be paid over to CWL, increased as the Court finds to be just under the circumstances of this case;

H. Statutory damages as provided for in 15 U.S.C. § 1117(d);

I. Defendant and all others acting in concert with it be directed to pay treble and/or punitive damages to deter Defendant and all others similarly situated from like unlawful conduct in the future due to Defendant's unfair competition;

J. CWL recover its reasonable attorney fees;

K. CWL recover its costs of this action and prejudgment and postjudgment interest; and

L. CWL recover such other and further relief as the Court may deem just and appropriate.

JURY DEMAND

Under Fed. R. Civ. P. 38(b), CWL hereby demands a trial by jury on all issues triable as of right by a jury.

Respectfully submitted,

COSMETIC WARRIORS LIMITED,

Dated: April 27, 2017

by its attorneys,

/s/ Stephen M. Ankrom
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